



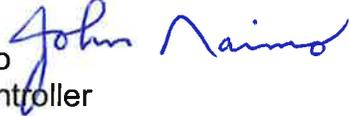
JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 16, 2015

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: John Naimo 
Auditor-Controller

SUBJECT: **SHERIFF'S DEPARTMENT - CELLULAR TELEPHONES AND OTHER
WIRELESS DEVICES REVIEW**

On January 4, 2011, your Board of Supervisors (Board) instructed the Auditor-Controller (A-C) to conduct audits of a sample of departments to determine if they are complying with County cellular telephone (cell phone) policies and procedures, and to report back within 12 months on the results of those audits. Subsequently, in the Chief Executive Office's (CEO) June 1, 2011 County Cell Phone Usage - Status Report No. 3, the Board was informed that these audits would begin six months after the approval and implementation of the proposed new County Cellular Telephone and Other Wireless Data Devices Usage Policy (Board Policy 3.160). Your Board approved this policy on October 2, 2012.

We reviewed the Sheriff's Department's (Sheriff or Department) compliance with the County Fiscal Manual (CFM) and Board Policy 3.160. Our review included interviews with Sheriff management and staff; a review of Department inventory and service provider (i.e., Verizon Wireless and AT&T) records; an evaluation of internal controls over wireless devices; and a review of the employee reimbursement process for personal use of a County cell phone. Our review was delayed because the Department expressed concerns with providing the wireless device inventory as it contained sensitive information (i.e., names and phone numbers for undercover officers).

Summary of Findings

Our review disclosed significant weaknesses in Sheriff controls over its wireless devices (i.e., cell phones, broadband cards, subscriber identification module (SIM) cards, hot spots, and iPads). These weaknesses have resulted in the Department paying at least \$773,000 in potentially unnecessary and inappropriate charges during our review period (i.e., October 2012 through June 2014). The following are examples of areas for improvement:

- **Sheriff needs to ensure inventory records of wireless devices include assigned users.** Sheriff inventory records had 699 wireless devices assigned to Sheriff locations or positions, not individuals, as required by the CFM. In addition, we noted that the managers/supervisors at five (71%) of the seven locations reviewed did not maintain a listing that includes the name of the individual to whom each wireless device is assigned.

Sheriff's Response – The Sheriff's attached response indicates that of the 699 wireless devices, 478 (68%) are pool or tactical devices that are accessed by multiple users. The 478 devices are assigned to a unit location or unit position with a contact person noted in the Department's inventory system. In addition, the Sheriff's response indicates that each unit has a designated person who manages and routinely updates the contact person in the Department's inventory who can determine the status of a wireless device at any time. For multiple use cell phones, the Department has also indicated that they have a process in place for tracking the assigned user and usage.

A-C's Response – The Sheriff's previously indicated that as a result of our review, 130 of the 699 wireless devices were canceled, 91 were assigned to individuals, and a contact person was added to the inventory for the remaining 478 devices. While a contact person may improve the Department's ability to determine the status of a wireless device, it does not establish accountability over wireless device usage. Sheriff's management needs to ensure appropriate documentation is maintained to establish accountability over wireless device usage.

- **Sheriff needs to update wireless device inventory records timely.** For example, we noted that 42 former Sheriff employees were listed as assigned users in the Department's inventory. In addition, 34 former Sheriff employees were listed in Verizon Wireless' records for periods of up to 18 months after the employees' termination dates. Wireless devices listed as assigned to 12 (35%) of the 34 former Sheriff employees had usage, which incurred approximately \$2,700 in service fees for the months with usage, after the employees' termination dates. However, the Department could not provide documentation to support who incurred the usage.

Sheriff's Response – The Sheriff's attached response indicates that for the 42 former employees, 26 lines were reassigned and 16 lines were canceled. In addition, of the 12 wireless devices that incurred usage after the employees' termination dates, the Department indicates that they had documentation to support who incurred the usage for ten of the 12 devices.

A-C's Response – The Department was unable to provide adequate documentation to support who incurred the usage for the 12 wireless devices. The Department provided current e-mails from staff explaining reassignments that occurred up to three years ago. The Department did not have documentation supporting the reassignments at the time the reassignments occurred. Sheriff's management needs to maintain documentation of device reassignments and ensure service providers' and the Department's wireless device records are updated timely.

- **Sheriff needs to ensure wireless device assignments are approved by an appropriate level of management, justified based on operational need, and adequately documented.** Sheriff did not have justifications for the operational need and/or approvals for 22 (88%) of the 25 wireless devices reviewed.

Sheriff's Response – The Sheriff's attached response indicates that although the Department has required executive level justification and approval for new wireless device assignments since August 2013, the Department added an additional executive level approval in July 2014.

A-C's Response – Of the 22 wireless devices, 16 (73%) appear to have been assigned prior to August 2013, the date the Department began requiring executive level justification and approval for new wireless device assignments. We were unable to determine when the remaining six (27%) devices were assigned.

- **Sheriff needs to reduce costs by monitoring monthly wireless device bills and deactivating unnecessary devices.** Sheriff paid monthly service fees for 7,977 cell phones, SIM cards, and other wireless devices, including approximately \$223,000 for 418 (5%) devices that were not used during the periods reviewed, and \$532,000 for 1,296 (16%) devices that were not used for a significant part of the periods reviewed, due to intermittent usage.

The Sheriff's attached response indicates that they proactively reviewed non-usage and intermittent usage of cell phones and other wireless devices, and canceled 1,044 devices. The remaining devices were either reassigned to a new user or identified as tactical (i.e., required for law enforcement emergency purposes).

- **Sheriff needs to distribute all wireless device bills with additional charges to employees monthly to identify any personal usage/calls for reimbursement.** Sheriff staff reviewed wireless device bills but did not distribute the bills with additional charges to employees to identify any personal usage/calls for reimbursement. In addition, Sheriff employees were not formally made aware of their responsibilities over wireless devices or of the additional charges associated with using directory assistance and other services (e.g., international roaming, text/picture messaging, application downloads, etc.) not included in their plan. As a result, the Department incurred and paid for additional charges that may have been for personal usage/calls.

The Sheriff's attached response indicates that in September 2014 they began requiring users to acknowledge their responsibilities over wireless devices. In December 2014, the Department developed procedures for distributing wireless device bills to employees for review/reimbursement of overage/additional charges.

Details of these and other findings and recommendations are included in Attachment I.

Review of Report

We discussed our report with Sheriff management. The Department's attached response (Attachment II) indicates general agreement with our findings and recommendations, and that they have implemented many of the recommendations in our report.

We thank Sheriff management and staff for their cooperation and assistance during our review. If you have any questions, please contact me, or your staff may contact Robert Smythe at (213) 253-0100.

JN:AB:RS:TK

Attachments

c: Sachi A. Hamai, Interim Chief Executive Officer
Jim McDonnell, Sheriff
Department Heads
Audit Committee
Public Information Office

**SHERIFF'S DEPARTMENT
CELLULAR TELEPHONES AND OTHER WIRELESS DEVICES REVIEW**

Background

The Sheriff's Department's (Sheriff or Department) Communications and Fleet Management Bureau (CFMB) is responsible for issuing wireless devices (i.e., cellular telephones or cell phones, broadband cards, subscriber identification module (SIM) cards, hot spots, and iPads), maintaining inventory, monitoring usage, and requesting reimbursement from employees for wireless device overages and additional charges (e.g., texting, directory assistance, etc.). Sheriff had approximately 8,000 wireless devices and spent \$3.1 million during Fiscal Year 2013-14 on wireless services.

Scope

We reviewed Sheriff compliance with the County Fiscal Manual (CFM) and Board of Supervisors (Board) Policy 3.160 - County Cellular Telephone and Other Wireless Data Devices Usage Policy. Our review included interviews with Sheriff management and staff; a review of Department inventory and service provider (i.e., Verizon Wireless and AT&T) records from October 2012 through June 2014; an evaluation of internal controls over wireless devices; and a review of the employee reimbursement process for personal use of a County wireless device. Our review was delayed because the Sheriff expressed concerns with providing the Department's wireless device inventory as it contained sensitive information (i.e., names and phone numbers for undercover officers).

COMMENTS AND RECOMMENDATIONS

Inventory Accuracy

The Sheriff did not maintain accurate inventory records of wireless devices, as required by the CFM. We noted the Department's records did not include assigned users for 699 wireless devices. Most of these devices are assigned to Sheriff locations or positions, not individuals. For example, for six pool cell phones reviewed, the cell phones were assigned to locations, and not to specific individuals, as required by CFM Section 4.7.2.1. In addition, we noted that the managers/supervisors at five (71%) of the seven locations reviewed did not maintain a listing that includes the name of the individual to whom each of their non-capital equipment items is assigned, including wireless devices, as required by CFM Section 6.8.2.

We also noted the service provider account number was not included in the Department's records, as required by CFM Section 4.7.2.2, and the Department's records had wireless devices assigned to 42 former Sheriff employees as of March 2014. We reviewed AT&T's monthly billing statements from December 2012 to March 2014 (16-month review period) and Verizon Wireless' monthly billing statements from October 2012 to March 2014 (18-month review period), and did not note any former

Sheriff employees assigned in AT&T's records. However, we identified 34 former Sheriff employees in Verizon Wireless' records and noted the following:

- 14 (41%) were still listed as assigned users in Verizon Wireless' records as of March 2014 for periods of up to 18 months after the employees' termination dates, and nine (64%) of the employees' wireless devices had usage after the employees' termination dates. For example, one former employee is now an independent contractor for the Sheriff and still has possession of the cell phone. However, the Department did not have an approval for the cell phone assignment, or justification to support the contractor's need for a County-issued cell phone to perform his/her duties under the contract.
- 20 (59%) were listed as assigned users in Verizon Wireless' records for periods of up to 17 months after the employees' termination dates, but were no longer listed as assigned users as of March 2014. Six (30%) of the employees' wireless devices had usage after the employees' termination dates.

For the 15 wireless devices that had usage after the employees' termination dates, two were used by former employees while working in different capacities (e.g., the independent contractor noted above), and one was used by an active employee. However, the inventory records inadvertently indicated the line was assigned to a terminated employee. For the remaining 12 wireless devices, which incurred approximately \$2,700 in service fees for the months with usage, the Department could not provide documentation to support who incurred the usage after the employees' termination dates. The Department indicated that most of the 12 lines were immediately reassigned within the respective bureaus/units. However, the bureaus/units did not maintain documentation of the reassignments, nor did they notify CFMB of the assignment changes in order to update Verizon Wireless' and the Department's records.

The Sheriff needs to make necessary updates (e.g., include assigned users, remove terminated employees, etc.) to Verizon Wireless' and the Department's records, and update all records timely thereafter. In addition, managers/supervisors should maintain up-to-date records of each non-capital equipment item, including wireless devices, assigned to their respective employees. Sheriff should also ensure its inventory includes all required fields, and wireless devices assigned to contractors/consultants are approved and properly justified to support the contractor's/consultant's need for a County-issued wireless device to perform his/her duties under a County contract. In addition, Sheriff needs to ensure bureaus/units maintain documentation of device reassignments and notify CFMB of assignment changes to update service providers' and the Department's records.

Recommendations

Sheriff's Department management:

1. **Make necessary updates (e.g., include assigned users, remove terminated employees, etc.) to Verizon Wireless' and the Department's wireless device records, and update all records timely thereafter.**
2. **Ensure managers/supervisors maintain up-to-date records of each non-capital equipment item, including wireless devices, assigned to their respective employees.**
3. **Ensure the wireless device inventory includes all required fields.**
4. **Ensure that wireless devices assigned to contractors/consultants are approved and properly justified to support the contractor's/consultant's need for a County-issued wireless device to perform his/her duties under a County contract.**
5. **Ensure bureaus/units maintain documentation of device reassignments and notify the Communications and Fleet Management Bureau of assignment changes to update service providers' and the Department's wireless device records.**

Monitoring

Departments need to monitor wireless devices to ensure device assignments are justified based on operational need, usage is appropriate, costs are minimized, and reimbursements for personal usage are made.

Device Assignments and Annual Reevaluations

CFM Section 4.7.1 requires wireless device assignments to be based on operational need and not employee level. In addition, CFM Section 4.7.2.1 requires assignments to be individually justified and approved by the appropriate level of management. We reviewed 25 wireless device assignments and noted that the Department did not have justifications for the operational need and/or approvals for 22 (88%) devices. For example, three assignments were approved by employees holding lower positions than the user.

CFM Section 4.7.2.1 also requires multiple use or pool cell phones to be controlled by a specific individual assigned responsibility for logging the use of each individual with access to the cell phone. We noted that the Sheriff did not log the usage for the three (100%) pool cell phones reviewed. For example, one pool cell phone incurred approximately \$130 in additional charges but we could not determine who incurred the charges because logs were not maintained.

Finally, we noted that the Sheriff conducts annual reevaluations of wireless device assignments and includes a review of the employee's pricing plan, as required by CFM Section 4.7.2.2. However, the Sheriff does not include a review of the employee's additional cost features (i.e., text/picture messaging and push-to-talk (PTT)) to ensure the most cost-effective feature rates continue to be used. For example, for the text/picture messaging feature, the Sheriff had the option to pay a standard rate per message (e.g., 20¢ per text message), or a flat rate per month for a set number of messages (e.g., \$10 per month for 1,000 messages). We noted that the Sheriff paid approximately \$2,000 more for the flat rate compared to the standard rates for 32 (97%) of the 33 lines reviewed.

The Sheriff should ensure that wireless device assignments (including reassignments as noted in the Inventory Accuracy section of this report) are approved by an appropriate level of management and justified based on operational need, and documentation supporting approvals/justifications is maintained. The Sheriff should also maintain usage logs for pool cell phones. In addition, Sheriff management should include as part of their annual reevaluations, a review of the employee's additional cost features to ensure the most cost-effective feature rates continue to be used.

Recommendations

Sheriff's Department management:

- 6. Ensure that wireless device assignments (including reassignments) are approved by an appropriate level of management and justified based on operational need, and documentation supporting approvals/justifications is maintained.**
- 7. Ensure usage logs are maintained for multiple use or pool cell phones.**
- 8. Include as part of the annual reevaluation, a review of employee's additional cost features to ensure that the most cost-effective feature rates continue to be used.**

Device Usage and Costs

CFMB's Logistics Unit and Mobile Digital Computer (MDC) Unit issue, activate, and monitor the Department's wireless devices. The MDC Unit is responsible for the SIM cards in the MDCs installed in Sheriff vehicles, and the Logistics Unit is responsible for cell phones and all other wireless devices.

CFM Section 4.7.1 requires departments to control device usage and costs through monthly bill reviews. However, we noted that the Sheriff did not always review wireless device bills to control device usage and costs (e.g., no usage, minimal usage, etc.).

Cell Phones and Other Wireless Devices (Logistics Unit)

We reviewed Sheriff service provider wireless device bills from December 2012 through March 2014, which included 5,185 devices (3,192 cell phones and 1,993 other wireless devices) totaling approximately \$3.0 million. We noted that Sheriff paid service fees totaling approximately \$202,000 for 375 (7%) of the 5,185 wireless devices that were not used during the 16-month period reviewed, and \$479,000 for 1,139 (22%) wireless devices that were not used for a significant part of the review period (i.e., for periods between nine and 15 months) due to intermittent usage.

We also performed a minimal usage analysis on cell phones and other wireless devices, in which minimal usage is defined as averaging less than 40 minutes and/or 1,000 kilobytes of data per month. The 1,000 kilobytes of data usage equates to viewing 20 e-mails without attachments, one e-mail with an attachment, and one website per month. We noted the following:

- 480 (15%) of the 3,192 cell phones had minimal usage, but the Department incurred service fees totaling approximately \$235,000 during the review period.
- 471 (24%) of the 1,993 other wireless devices had minimal usage, but the Department incurred service fees totaling approximately \$224,000 during the review period.

We also noted that, for the 493 cell phone lines that had the PTT feature, Sheriff paid approximately \$6,300 for 85 (17%) cell phone lines that did not use the feature during the 15-month period reviewed, and approximately \$2,900 for 52 (11%) cell phone lines that did not use the PTT feature for a significant part of the review period (i.e., for periods between seven and 14 months) due to intermittent usage.

SIM Cards (MDC Unit)

The Department uses SIM cards, installed in vehicle MDC's, to connect wirelessly to the Department's network and other law enforcement databases. We reviewed Sheriff service provider wireless device bills from May 2013 through June 2014 for 2,792 SIM cards totaling approximately \$1.1 million. We noted that Sheriff paid approximately \$21,000 in service fees for 43 (2%) SIM cards that were not used during the 14-month period reviewed, and \$53,000 for 157 (6%) SIM cards that were not used for a significant part of the review period (i.e., for periods between eight and 13 months) due to intermittent usage.

Per the Department, a SIM card is activated to configure the required applications in an MDC before the MDC is installed in a vehicle. We reviewed 18 SIM cards and noted that the SIM cards were activated on average five months before the MDC's were installed in a vehicle. In addition, some SIM cards were noted to have up to seven months of non-usage between the activation and MDC installation dates incurring a total of approximately \$1,700 in service fees.

The Sheriff should deactivate unused wireless devices and review the wireless devices with minimal usage to determine if they should be deactivated. In addition, the Department should review wireless device bills monthly to evaluate the cost-effectiveness of flat rate services, such as text/picture messaging. The Department should also review wireless device bills monthly to identify and deactivate unused devices and unnecessary services.

Recommendations

Sheriff's Department management:

- 9. Deactivate unused wireless devices and review wireless devices with minimal usage to determine if they should be deactivated.**
- 10. Review wireless device bills monthly to identify and deactivate unused devices and unnecessary features.**

Additional Charges

If wireless device bills exceed plan rates, CFM Section 4.7.2.2 requires department administrative staff to distribute bills to employees within one month of bill receipt. Employees are required to review the bills to verify that the charges are correct, and identify any personal usage/calls. If the overage (e.g., minute overage) and/or additional charges (e.g., texting, directory assistance, etc.) are due to personal usage/calls, employees must reimburse the Department within 30 days of receiving the bill for the costs that exceed plan rates. Department management is required to review the bills after they have been verified by employees to ensure usage is appropriate and any personal usage/calls in excess of plan rates are reimbursed.

From October 2012 through March 2014, the Department did not incur any overage charges because the Department's cell phone minutes are pooled, but did incur additional charges for services such as text/picture messaging, roaming (e.g., international, etc.), directory assistance, application downloads, and long distance, totaling approximately \$33,600. We judgmentally selected one wireless device bill for each of the 22 wireless device lines that incurred additional charges and noted the following:

- For all 22 bills, the Department could not provide documentation to support that administrative staff distributed the bills with additional charges to the employees, or that the employees and/or management reviewed the bills.
- For 21 (95%) bills, the employees did not reimburse the County or provide documentation to the Department noting whether the additional charges, totaling approximately \$4,300, were County related. The one employee who reimbursed the County appeared to have been notified of the additional charge. However, as

noted above, the Department could not provide documentation to support that administrative staff distributed the bill to the employee.

Although the Department was unable to provide documentation to support that the 22 bills were distributed, administrative staff indicated that they distribute bills for review when the additional charges appear to be for personal usage/calls. We also noted that Sheriff employees were not formally made aware of their responsibilities over wireless devices or of the additional charges associated with using directory assistance and other services not included in their plan. As a result, the Department incurred and paid for additional charges which were not pursued for reimbursement and may have been for personal usage/calls. The Sheriff should create an acknowledgement form and require users to sign this form to ensure the users are aware of their responsibilities over wireless devices. The acknowledgement form should explain their plan and the services that result in overage/additional charges. We also noted that the administrative staff member responsible for reviewing the bills for overage/additional charges also receives the reimbursements, and these duties should be separated.

The Department should ensure that administrative staff review wireless device bills for overage/additional charges monthly, distribute bills to employees within one month of bill receipt, and maintain documentation to support that bills were distributed to employees. In addition, the Department should ensure employees review the overage/additional charges to verify that the charges are correct and identify any personal usage/calls. If the overage/additional charges are due to personal usage/calls, employees must reimburse the Department within 30 days for the costs that exceed plan rates, or notify administrative staff that the usage/calls are County related. In addition, management should review the bills after they have been verified by employees to ensure usage is appropriate and personal usage/call costs in excess of plan rates are reimbursed. The Department should also consider blocking services (e.g., text/picture messaging, international roaming, application downloads, etc.) that result in additional charges.

Recommendations

Sheriff's Department management:

- 11. Create an acknowledgement form and require users to sign the form to ensure users are aware of the policies and procedures over wireless devices.**
- 12. Ensure wireless device bill review and reimbursement receipt duties are separated.**
- 13. Ensure administrative staff review wireless device bills for overage/additional charges monthly, distribute bills to employees within one month of bill receipt, and maintain documentation to support that bills were distributed to employees.**

- 14. Ensure employees review wireless device bills with overage/additional charges to verify the charges are correct, identify and reimburse the Department within 30 days of receiving the bill for personal usage/calls that exceed plan rates, or notify administrative staff that the usage/calls are County related.**
- 15. Ensure wireless device bills are reviewed by management after they have been verified by employees to ensure usage is appropriate and personal usage/call costs in excess of plan rates are reimbursed.**
- 16. Consider blocking services (e.g., text/picture messaging, international roaming, application downloads, etc.) that result in additional charges.**

Internal Control Certification Program

The Auditor-Controller developed the Internal Control Certification Program (ICCP) to assist County departments in evaluating and improving internal controls over fiscal operations. Departments must review and evaluate controls in key fiscal areas and certify that proper controls are in place or note that action is being taken to correct any deficiencies or weaknesses noted.

Many of the issues we noted in Sheriff wireless device operations should have been identified when Sheriff completed their ICCP. Sheriff management should ensure that ICCP questionnaires are completed accurately, all internal control weaknesses are identified, and an improvement plan is developed to address each weakness.

Recommendation

- 17. Sheriff's Department management ensure that Internal Control Certification Program questionnaires are completed accurately, all internal control weaknesses are identified, and an improvement plan is developed to address each weakness.**



JIM McDONNELL, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169



July 17, 2015

John Naimo, Auditor-Controller
Department of Auditor-Controller
525 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Mr. Naimo:

**LOS ANGELES COUNTY SHERIFF'S DEPARTMENT'S RESPONSE TO THE
AUDITOR-CONTROLLER'S CELLULAR TELEPHONES AND OTHER WIRELESS
DEVICES REVIEW**

Enclosed is the Los Angeles County Sheriff's Department's (Department) response to the Auditor-Controller's review of Cellular Telephones and Other Wireless Devices Review. The Department's response include results of a proactive effort to address specific areas in the report where actions have resulted in a cost saving to the Department and the County.

The Department is in general agreement with the Auditor's findings and has taken steps to implement the recommendations, along with a plan of corrective action.

If you have any questions, please contact Division Director Glen Dragovich, Administrative and Training Division, at (213) 229-3305 or Manager Chuck Porter, Internal Audit, at (213) 229-3320.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McDonnell", written over a white background.

JIM McDONNELL
SHERIFF

A Tradition of Service

John Naimo

- 2-

July 17, 2015

JM::CP:cp
(Administrative and Training Division)

Enclosures

c: Sachi A. Hamai, Interim Chief Executive Officer
Todd S. Rogers, Assistant Sheriff
Glen Dragovich, Division Director, Administrative and Training Division (ATD)
Dean M. Gialamas, Division Director, Technology and Support Division (TSD)
Scott D. Edson, Commander, TSD
Nancy N. Ohara, Lieutenant, Communications and Fleet Management Bureau

THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT RESPONSE TO THE
AUDITOR-CONTROLLER'S CELLULAR TELEPHONES AND OTHER WIRELESS
DEVICES REVIEW

INVENTORY ACCURACY

The Auditor stated the Los Angeles County Sheriff's Department's (Department) records did not include assigned users for 699 wireless devices, and these devices were assigned to Department locations or positions, not individuals. Of the 699 wireless devices, 478 (68 percent) are data (surveillance cameras, vehicle license plate readers, DUI Trailers, etc.) pooled or tactical (emergency use only) devices that have a specific law enforcement function accessed by multiple users. The 478 devices are assigned to a unit location or unit position with a contact person noted in the Department's inventory system.

County Fiscal Manual (CFM) Section 4.7.1 states Description of Cellular Telephone and Other Wireless Data Devices Usage Policy provides examples of these circumstances to include a frequent and urgent need to contact the employee, a finding that the employees can more efficiently and productively complete their duties by using a cellular telephone or other wireless data device, or circumstances where an employee's personal safety may be at risk if the employee does not have a cellular telephone. Further, CFM Section 4.7.2.2 states Departments may maintain a reasonable number of unassigned activated cellular telephones for use in emergencies with appropriate security controls to prevent misuse.

The Department believes the process used to assign data devices and cellular phones to multiple users of a 24 hour, 7 days a week operation, which include controls to account for all devices, meets CFM requirements.

RECOMMENDATION 1:

Make necessary updates (e.g., include assigned users, remove terminated employees, etc.) to Verizon Wireless' and Department's wireless device records, and update the records timely thereafter.

Sheriff's Response to Recommendation 1: Agree

The Auditor stated the Department's records had wireless devices assigned to 42 former Department employees. Of the 42 former Department employees listed as wireless device users, 26 were updated with current Department employees or contracted employees, between March 2014 to July 2014; and 16 lines were cancelled between April 2014 to March 2015, do to no current employee being assigned the device.

Of the 12 devices incurring \$2,700 in unknown user fees, the Department had two devices unaccounted for at a cost of \$682 over the 18- month review period.

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The Department requires individual units to report changes to the Department's Communications and Fleet Management Bureau (CFMB) Logistics. In February 2015, CFMB submitted a Cellular Telephone and Other Devices policy revision to ensure units are held accountable for timely updating of changes/revisions to CFMB Logistics. The scheduled roll-out for the Department's revised policy is July 2015, and will include orientation and training of the responsible unit commanders and staff.

RECOMMENDATION 2:

Ensure managers/supervisors maintain up-to-date records of each non-capital equipment item assigned to their respective employee.

Sheriff's Response to Recommendation 2: Agree

Annually, CFMB Logistics conducts an accountability inventory of all assigned cellular telephones and other devices assigned to each unit as required by CFM Section 4.7.2.2. The unit has a designated person to manage wireless device assignments and is able to access the MCM inventory, at the Unit level to determine the status of a wireless device at any time. A notation of the person responsible for the devices at the unit is made in the Department's MCM (cellular telephone and wireless devices) inventory system as the point of contact, and the unit inventory is updated routinely by the Unit and at the conclusion of the annual audit.

The Auditor recently requested departments to submit suggestions for updating the County Fiscal Manual (CFM). The Department intends to provide suggestions for updating the CFM, as it relates to law enforcement responsibility, to ensure accountability and efficiency (cost containment) over the use of cellular telephones and other wireless data devices. The Department believes the process used to assign devices to multiple users of a 24 hour, 7 days a week operation, which include controls to account for all devices, meets CFM requirements.

RECOMMENDATION 3:

Ensure the wireless inventory includes all required fields.

Sheriff's Response to Recommendation 3: Agree

The Department's MCM Inventory records had all required fields: identification code, state of activation, service provider, plan type, user assignment, user identification number, and assignment location. The account number is the only field missing and will be added per the Auditor's recommendation in June 2015.

RECOMMENDATION 4:

Ensure that wireless devices assigned to contractors/consultants are approved and properly justified to support the contractors/consultants need for a County-issued wireless device to perform his/her duties under a County contract.

Sheriff's Response to Recommendation 4: Agree

The Department has submitted a policy revision in February 2015, stating non-Departmental employees shall not be issued a communication device (cellular or radio) without the written approval from a Division Chief, Division Director, or above. The written approval shall be forwarded to CFMB Logistics to update the MCM inventory system. The scheduled roll-out for the Department's revised policy is July 2015, and will include orientation and training of the responsible unit commanders and staff.

RECOMMENDATION 5:

Ensure bureaus/units maintain documentation of device reassignments and notify the CFMB of assignment changes to update Verizon Wireless' and the Department's wireless device records.

Sheriff's Response to Recommendation 5: Agree

The Auditor stated the Department had 12 wireless devices, which incurred approximately \$2,700 in service fees, and the Department could not provide documentation to support who incurred the usage after the employee's termination dates.

The following is a breakdown of the twelve wireless devices reassignment status and accountability during the review period:

Four devices had no time gap between the retiree and reassignment of the device to a current employee.

Six devices showed zero usage between the retiree and reassignment of the device.

Two devices had constant use between the time of the retiree and reassignment of the device. The employee responsible for usage could not be determined.

The Department agrees that accurate record keeping is essential. Department units shall be responsible for reporting all changes in cellular device assignments immediately to CFMB Logistics. The documents the Department provided to the Auditor showed that only two lines incurred usage after the employee's termination date and before reassignment at a cost of \$682 and not \$2,700 over the 18-month review period.

The Department has submitted a policy revision in February 2015, instructing Department units to recover communications equipment from their employees who are

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relieved of duty, injured on duty, or retired. The scheduled roll-out for the Department's revised policy is July 2015, and will include orientation and training of the responsible unit commanders and staff.

MONITORING

The Department required effective August 2013, a Chief to Chief authorization memo to justify assignment of any new wireless device with approval from the Division Director of Administrative and Training Division (ATD). In July 2014, the Department further expanded its justification, approval, and monitoring process by requiring a justification/approval form to be completed by the Unit Commander, Division Chief, and the Division Director of ATD. This request form is electronically scanned and archived in the CFMB Logistics MCM inventory records.

RECOMMENDATION 6:

Ensure that wireless device assignments (including reassignments) are approved by an appropriate level of management and justified based on operational need, and documentation supporting approval/justifications is maintained.

Sheriff's Response to Recommendation 6: Agree

The Department has required executive level justification and approval for the assignment of new wireless devices for all assigned users since August 2013. The Department further tightened controls over approval and documentation management in July 2014, as described above. The Unit Commander is responsible all reassignments of cellular devices in accordance with the revised Manual of Policy and Procedures.

RECOMMENDATION 7:

Ensure usage logs are maintained for multiple use or pool cellular telephones.

Sheriff's Response to Recommendation 7: Agree

Multiple use or pool phones are assigned to the position at the unit. The Department has a process in place for tracking the use and user of pool devices. The individual assigned to the position creates an electronic "daily log" in the mobile digital computer and lists the cellular device assigned. If the individual assigned to the position does not have access to a mobile digital computer, the responsible unit also has a designated person to manage cellular device assignments who is able to identify the location of the device at any time.

The responsible unit designates a person to manage cellular device assignments and is able to identify the location of the device at any time. A notation of the individual responsible for the devices at the unit is made in the Department's inventory system as the point of contact. The Department believes the process used to assign data devices

and cellular telephones to multiple users of a 24 hour, 7 days a week operation, that includes controls to account for all devices meets CFM requirements.

RECOMMENDATION 8:

Include as part of the annual reevaluation, a review of employee's additional cost features to ensure that the most cost-effective feature rates continues to be used.

Sheriff's Response to Recommendation 8: Agree

All service providers/carriers and wireless device plans are negotiated through the County's Internal Services Department (ISD). However, while ISD ensures that departments obtain the best possible price for their cellular device contracts the Department is continuously reevaluating pricing plans and cost features available. For example, in June 2012, the Department chose to move all smart phones from the Legacy Account (Los Angeles County plan) to the General Services Account (GSA-Federal plan) due to lower costs. The Department was steadfast in convincing ISD that this was the type of plan needed to manage and control pricing of over 8,000 cellular devices. The Department's current employee pricing plan is the least expensive plan available, and has unlimited texts, data, and shared/pooled voice minutes for all smart cellular devices.

The Department's flip phones have text and push to talk features added at a monthly cost. Due to possible emergency situations, the Department determined that a flat rate monthly charge for unlimited texting on authorized flip phones was the most cost effective plan, instead of a "charge per text" plan. It should be noted that in April 2013, the Department began moving all flip phones to a flat rate plan for shared/pooled minutes, and 100 texts per month for \$14.99 to replace the \$37 monthly charge. As of December 2014, all push to talk features had been cancelled due to non-usage.

DEVICE USAGE AND COSTS

The Department submitted a policy revision in February 2015, stating that cellular telephone devices that show non-usage for three consecutive months will have cellular services suspended, and cellular telephone devices that show non-usage for six consecutive months will have cellular services cancelled. Twice a year, unit commanders shall review the allocation and the continued use of cellular devices at their unit based on frequency of use, availability of other communications equipment, and possibly converting to pooled devices. CFMB will monitor for non-usage lines monthly. The scheduled roll-out for the Department's revised policy is July 2015, and will include orientation and training of the responsible unit commanders and staff.

RECOMMENDATION 9:

Deactivate unused wireless devices and review wireless devices with minimal usage to determine if they should be deactivated.

Sheriff's Response to Recommendation 9: Partially Agree

The Auditor reviewed the Department's usage of cellular telephones and other wireless data devices, i.e., SIM cards deployed in the MDCs (mobile digital computers in patrol cars). The report combined the wireless device findings (cellular telephones and MDC SIM cards) and categorized usage into three levels: non-usage, intermittent usage (defined as a significant part of the review period approximately 16 months) and minimal usage (averaging less than 40 minutes and/or 1,000 kilobytes of data per month). The Department proactively reviewed non-usage and intermittent usage of cellular telephones and other wireless devices during the review period, and took the necessary steps to collectively reduce usage related charges by approximately \$462,000 or 61 percent of the \$755,000 identified in the audit report. The following is a summary of Department's action:

Non-usage of 418 wireless devices during the review period:

- 216 (52 percent) totaling approximately \$112,000 were cancelled prior to the conclusion of the auditor's review period June 30, 2014.
- 66 (16 percent) additional lines totaling approximately \$22,000 have been cancelled since the end of the review period.
- 136 (32 percent) remaining lines have been audited internally and either reassigned to a new user or identified as tactical (required for law enforcement emergency purposes).

Intermittent usage of 1,296 wireless devices during the review period:

- 691 (53 percent) of 1,296 wireless devices totaling approximately \$298,000 were cancelled prior to the conclusion of the Auditor's June 30, 2014 review period.
- 71 (5 percent) additional lines totaling approximately \$30,000 have been cancelled since the end of the review period.
- 534 (41 percent) remaining lines have been audited internally and either reassigned to a new user or identified as tactical (required for law enforcement emergency purposes).

Minimal usage of 951 wireless devices during the review period:

The Auditor conducted a usage analysis of cellular telephones and other wireless devices identified as minimal usage. They define minimal usage as averaging less than 40 minutes and/or viewing 20 emails without attachments, one email with an attachment, or one website per month. CFMB Logistics expects fluctuations in voice

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usage per individual and does not monitor individual wireless devices monthly for minimal use due to the Department's current wireless device plan. The Department's default service plans are the least expensive bundle available, and feature unlimited texts/data and pooled voice minutes for all smartphone devices and pooled voice minutes, and 100 text monthly allowance for flip phones. CFMB monitors the monthly minutes used in shared/pooled plans to ensure there are sufficient minutes available.

In February 2015, CFMB submitted a revision to the Manual of Policy and Procedures stating that cellular phones and wireless devices that show non-usage for three consecutive months will have service suspended, and devices that show non-usage for six consecutive months will have service cancelled. Unit commanders annually review the allocation and the continued use of cellular devices at their unit to consider frequency of use, availability of other communications equipment, and feasibility of converting to pooled devices.

RECOMMENDATION 10:

Review wireless device bills monthly to identify and deactivate unused devices and unnecessary features.

Sheriff's Response to Recommendation 10: Agree

All service providers/carriers and wireless device plans are negotiated through the County's Internal Services Department (ISD); however, the Department is constantly reevaluating pricing plans and cost features available. In June 2012, the Department chose to move all smart phones from the Legacy Account (Los Angeles County plan) to the General Services Account (GSA-Federal plan) due to lowers costs. The Department's current wireless device cost is the least expensive plan available with unlimited texts, data, and shared/pooled voice minutes for all smart cellular devices.

The Department's flip phones have shared/pooled voice minutes for \$27 a month with text and push to talk features added for \$10 a month. Due to possible emergency situations, the Department determined a flat rate monthly charge of \$10 for unlimited texting on authorized flip phones was the most cost effective plan instead of a \$.20 per text feature. It should be noted that in April 2013, the Department began moving all flip phones to a flat rate plan for shared/pooled minutes and 100 texts per month for \$14.99 to replace the \$37 monthly charge for voice and texts. The Auditor determined we paid in excess of 2,000 in a 15-month period on 32 flip phones by paying a flat rate for unlimited texts. Since the Department has moved to the \$14.99 plan, it was determined that the Department saved \$10,569 for 32 flip phones over a 15- month period.

As of December 2014, all push to talk features had been cancelled due to non-usage (same as Recommendation 8).

ADDITIONAL CHARGES

As of December 2014, the Department established a minimum additional charge amount and distributes the bills to the employee for review/reimbursement. With approximately 8,000 lines to monitor, this process is very time consuming for CFMB personnel. The Department will evaluate the need for additional staff to continue to conduct the reviews/reimbursement for unauthorized additional charges.

In September 2014, CFMB Logistics created a list of guidelines for wireless device users. This list is distributed to the user and all units with individual wireless devices. At the recommendation of the Auditor-Controller, the Department will require the user to sign an acknowledgement form of policy and procedures regarding the use of wireless devices.

RECOMMENDATION 11:

Create an acknowledgement form and require users to sign the form to ensure users are aware of the policies and procedures over wireless devices.

Sheriff's Response to Recommendation 11: Agree

A list of wireless user guidelines was created by CFMB Logistics in September 2014, and is currently distributed to the user and all units with individual wireless device users. At the recommendation of the Auditor, the Department will require the user to sign an acknowledgement form of policy and procedures when the user takes possession of the wireless device.

The Department submitted a policy revision in February 2015, instructing all Department employees who are assigned a cellular device for use in the course of their Department business shall adhere to the following procedures: Use of the cellular device is limited within the United States (U.S.). Use of the cellular device outside the U.S. must have written approval from the unit commander and the division chief. Application downloads, subscription fees, 411 calls, international calls, and international texts are unauthorized charges. The scheduled roll-out for the Department's revised policy is July 2015, and will include orientation and training of the responsible unit commanders and staff.

RECOMMENDATION 12:

Ensure wireless device bill review and reimbursement receipt duties are separated.

Sheriff's Response to Recommendation 12: Agree

The Department has approximately 8,000 lines to monitor and CFMB Logistics has limited staff available to review, distribute, and collect reimbursement, if applicable. CFMB Logistics has separated bill review/distribution and reimbursement responsibilities. Any reimbursement is now sent to the CFMB Logistics lieutenant or

sergeant for review, and deposited at the Department's Fiscal Administration. CFMB Logistics made an effort to reduce the number of billing overages and they have been steadily decreasing. As of September 2014, application downloads, subscription fees, and unauthorized international roaming charges have stopped.

RECOMMENDATION 13:

Ensure administrative staff review wireless device bills for overages/additional charges monthly, distribute bills to employees within one month of bill receipt, and maintain documentation to support that bills were distributed to employees.

Sheriff's Response to Recommendation 13: Agree

At the time of the audit, there were no procedures established to distribute wireless device bills with additional charges to employees. As of December 2014, CFMB Logistics determined a minimum additional charge amount and distributed the bills to the employee for review/reimbursement. These notifications were sent within 30 days of receiving the bill.

RECOMMENDATION 14:

Ensure employees review wireless device bills with overage/additional charges to verify the charges are correct; and identify and reimburse the Department within 30 days of receiving the bill for personal usage/calls that exceed plan rates, or notify administrative staff that the usage/calls are County related.

Sheriff's Response to Recommendation 14: Agree

At the time of the audit, there were no procedures established to distribute wireless device bills with additional charges to employees. As of December 2014, CFMB Logistics determined a minimum additional charge amount and distributed the bills to the employee for review/reimbursement. These notifications were sent within 30 days of receiving the bill. The employee acknowledged receipt of the bill and responded to CFMB Logistics within one week. As of April 2015, CFMB Logistics only had two bills to distribute for review/reimbursement to the employee for additional unauthorized charges.

RECOMMENDATION 15:

Ensure wireless device bills are reviewed by management after they have verified by employees to ensure usage is appropriate and personal usage/call costs in excess of plan rates are reimbursed.

Sheriff's Response to Recommendation 15: Agree

At the time of the audit, there were no procedures established to distribute wireless device bills with additional charges to employees. As of December 2014, CFMB Logistics determined a minimum additional charge amount and distributed the bills to the employee for review/ reimbursement. These notifications are sent within 30 days of receiving the bill. The employee acknowledges receipt of the bill and responded to CFMB Logistics within one week. If the additional charges were Department related, the employee's unit commander will review the bill.

RECOMMENDATION 16:

Consider blocking services (e.g., text messaging, international roaming, application downloads, etc.), that result in additional charges.

Sheriff's Response to Recommendation 16: Agree

The ISD contract with existing service carriers' do not allow the Department to block certain services (e.g., 411 calls, application downloads, subscription fees, etc.); however, the Department does block everything that is permitted under the contract to avoid additional charges.

RECOMMENDATION 17:

Sheriff's Department management ensure that Internal Control Certification Program questionnaires are completed accurately, all internal control weaknesses are identified, and an improvement plan is developed to address each weakness.

Sheriff's Response to Recommendation 17: Agree

CFMB completes the Internal Control Certification Program questionnaires annually, as required.